



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
LINCOLN COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 2000

**EDWARD B. HATCHETT, JR.
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE LINCOLN COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2000

The Auditor of Public Accounts has completed the Lincoln County Fiscal Court audit for fiscal year ended June 30, 2000. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

Financial Condition:

Fund balances increased by \$651,210 from the prior fiscal year, resulting in a cash surplus of \$1,688,593 as of June 30, 2000. Revenues increased by \$1,129,023 from the prior year and disbursements increased by \$529,889.

Debt Obligations:

Total bonded debt principal as of June 30, 2000, was \$1,830,000. Future collections of \$3,686,598 are needed over the next 27 years to pay all bonded debt principal and interest.

Capital lease principal agreements totaled \$1,104,670 as of June 30, 2000. Future principal and interest payments of \$1,591,702 are needed to meet these obligations.

Report Comments:

- The County Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits.

Deposits:

As of June 30, 2000, the fiscal court's deposits were uninsured and uncollateralized by bank securities or bonds by \$47,461.

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EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

T. Kevin Flanery, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Ronald W. Gilbert, Lincoln County Judge/Executive

Members of the Lincoln County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Lincoln County, Kentucky, as of June 30, 2000, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Lincoln County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Lincoln County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising primarily from cash transactions as of June 30, 2000 of Lincoln County, Kentucky, and the revenues received and expenditures paid for the year then ended, in conformity with the modified cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Ronald W. Gilbert, Lincoln County Judge/Executive
Members of the Lincoln County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2001 on our consideration of Lincoln County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Based on the results of our audit, we present the accompanying comment and recommendation, included herein, which discusses the following area of noncompliance:

- The County Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a horizontal line extending from the end.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
June 19, 2001

LINCOLN COUNTY OFFICIALS

Fiscal Year Ended June 30, 2000

Fiscal Court Members:

R.W. Gilbert	County Judge/Executive
Earlin Cress	Magistrate
Bill Dyehouse	Magistrate
John E. Stevens	Magistrate
Terry L. Wilcher	Magistrate

Other Elected Officials:

John E. Hackley	County Attorney
William David Gooch	Jailer
George O. Spoonamore, III	County Clerk
Edith Cox	Circuit Court Clerk
Shelby R. Lakes	Sheriff
David Gambrel	Property Valuation Administrator
William Demrow	Coroner

Appointed Personnel:

Teresa Padgett	County Treasurer
Patricia Young	Occupational Tax Collector
Jessica Roark	Finance Officer

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STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

LINCOLN COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 2000

Assets and Other Resources

Assets

General Fund Type

General Fund:		
Cash	\$ 1,107,284	
Road and Bridge Fund:		
Cash	202,624	
Jail Fund:		
Cash	29,810	
Local Government Economic Assistance Fund:		
Cash	21,978	
Solid Waste Commission Fund:		
Cash	38,433	
KACo Leasing Trust/Lincoln County Acquisition Account:		
Cash	106,190	
Kentucky Area Development District Financing Trust/ Lincoln County Lease Acquisition Account:		
Cash	5,784	
Payroll Revolving Account - Cash	19,516	\$ 1,531,619

Special Revenue Fund Type

Federal Grants Fund:		
Cash	\$ 778	
Law Enforcement Facilities Fund:		
Cash	5,660	6,438

Debt Service Fund Type

Public Properties Corporation Government		
Facilities Series 96 Fund:		
Bond Account	\$ 24,806	
Construction Account	16	
Debt Service Account	145,230	170,052

The accompanying notes are an integral part of the financial statements.

LINCOLN COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 2000
 (Continued)

Assets and Other Resources (Continued)

Other Resources

General Fund Type

General Fund:

Amounts to be Provided in Future Years for Kentucky Association of Counties Leasing Trust Agreements - Principal	\$ 674,670
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Debt Service Fund Type

Public Properties Corporation Government

Facilities Series 96 Fund:

Amounts to be Provided in Future Years for Bond Payments From Administrative Office of the Courts and Fiscal Court	\$ 1,659,964	
Amounts to be Provided in Future Years From Administrative Office of the Courts and Fiscal Court for Kentucky Area Development District Financing Trust Lease Agreement	<u>340,000</u>	<u>1,999,964</u>

Total Assets and Other Resources	<u>\$ 4,382,743</u>
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Liabilities and Fund Balances

Liabilities

General Fund Types

General Fund - Kentucky Association of Counties

Leasing Trust Agreements (Note 6-A,B,C,D)	\$ 674,670	
Payroll Revolving Account	<u>19,516</u>	\$ 694,186

Debt Service Fund Types

Public Properties Corporation Government

Facilities Series 96 Fund:

Bonds Not Matured (Note 5)	\$ 1,830,000	
Kentucky Area Development District Financing Trust Lease Agreement (Note 6-E)	<u>340,000</u>	2,170,000

The accompanying notes are an integral part of the financial statements.

LINCOLN COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 2000
 (Continued)

Fund Balances

Reserved:

General Fund Type

Solid Waste Commission Fund	\$	38,433	
KACo Leasing Trust/Lincoln County Acquisition Account		106,190	
Kentucky Area Development District Financing Trust/ Lincoln County Lease Acquisition Account		<u>5,784</u>	\$ 150,407

Special Revenue Fund Type

Federal Grants Fund	\$	778	
Law Enforcement Facilities Fund		<u>5,660</u>	6,438

Debt Service Fund Types

Public Properties Corporation Government Facilities Series 96 Fund - Construction Account			16
--	--	--	----

Unreserved:

General Fund Type

General Fund	\$	1,107,284	
Road and Bridge Fund		202,624	
Jail Fund		29,810	
Local Government Economic Assistance Fund		<u>21,978</u>	<u>1,361,696</u>

Total Liabilities and Fund Balances			<u>\$ 4,382,743</u>
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

LINCOLN COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2000

	General Fund Types			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 4,158,383	\$ 2,167,436	\$ 1,062,149	\$ 728,307
Transfers In	274,239	25,577	170,500	
Lease Proceeds	700,000			
Total Cash Receipts	<u>\$ 5,132,622</u>	<u>\$ 2,193,013</u>	<u>\$ 1,232,649</u>	<u>\$ 728,307</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,274,892	\$ 1,263,650	\$ 1,168,414	\$ 812,581
Schedule of Solid Waste Commission Fund Expenditures	6,525			
Schedule of KACo Leasing Trust Lincoln County Acquisition Account Expenditures	177,961			
Schedule of Public Properties Corporation Government Facilities Series 96 Fund Expenditures	13,590			
Schedule of KADD Financing Trust/ Lincoln County Lease Acquisition Account Expenditures	14,268			
Transfers Out	274,239	170,812		
Bonds:				
Principal Paid	30,000			
Interest Paid	114,543			
Kentucky Association of Counties Leasing Trust-Principal Payment	244,424	230,768	13,656	
Kentucky Area Development District Financing Trust-Principal Payment	331,000			
Total Cash Disbursements	<u>\$ 4,481,442</u>	<u>\$ 1,665,230</u>	<u>\$ 1,182,070</u>	<u>\$ 812,581</u>

The accompanying notes are an integral part of the financial statements.

LINCOLN COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 2000
(Continued)

General Fund Types				Special Revenue Fund Types	
Local Government Economic Assistance Fund	Solid Waste Commission Fund	KACo Leasing Trust/Lincoln County Acquisition Account	KADD Financing Trust/ Lincoln County Lease Acquisition Account	Federal Grants Fund	Law Enforcement Facilities Fund
\$ 17,515	\$ 6,955 8,400	\$ 4,651	\$ 1,052	\$ 31,025 23,000	\$ 5,392
		350,000	350,000		
\$ 17,515	\$ 15,355	\$ 354,651	\$ 351,052	\$ 54,025	\$ 5,392
\$	\$	\$	\$	\$ 30,247	\$
	6,525				
		177,961			
			14,268		
		70,500		23,000	
			331,000		
\$ 0	\$ 6,525	\$ 248,461	\$ 345,268	\$ 53,247	\$ 0

The accompanying notes are an integral part of the financial statements.

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LINCOLN COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 2000
(Continued)

	Special Revenue Fund Types	Debt Service Fund Type		
		Public Properties Corporation Government Facilities Series 96 Fund		
	Parks and Recreation Fund	Bond Account	Construction Account	Debt Service Account
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$	\$ 126,428	\$ 123	\$ 7,350
Transfers In		46,762		
Lease Proceeds				
Total Cash Receipts	\$ 0	\$ 173,190	\$ 123	\$ 7,350
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$	\$	\$	\$
Schedule of Solid Waste Commission Fund Expenditures				
Schedule of KACo Leasing Trust Lincoln County Acquisition Account Expenditures				
Schedule of Public Properties Corporation Government Facilities Series 96 Fund Expenditures		7,972	5,618	
Schedule of KADD Financing Trust/ Lincoln County Lease Acquisition Account Expenditures				
Transfers Out	2,577			7,350
Bonds:				
Principal Paid		30,000		
Interest Paid		114,543		
Kentucky Association of Counties Leasing Trust-Principal Payment				
Kentucky Area Development District Financing Trust-Principal Payment				
Total Cash Disbursements	\$ 2,577	\$ 152,515	\$ 5,618	\$ 7,350

The accompanying notes are an integral part of the financial statements.

LINCOLN COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 2000
 (Continued)

	<u>General Fund Types</u>			
<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 651,180	\$ 527,783	\$ 50,579	\$ (84,274)
Cash Balance - July 1, 1999	<u>1,037,413</u>	<u>579,501</u>	<u>152,045</u>	<u>114,084</u>
Cash Balance - June 30, 2000	<u>\$ 1,688,593</u>	<u>\$ 1,107,284</u>	<u>\$ 202,624</u>	<u>\$ 29,810</u>

* Cash Balance Includes Certificates of Deposit

LINCOLN COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 2000
 (Continued)

General Fund Types				Special Revenue Fund Types	
Local Government Economic Assistance Fund	Solid Waste Commission Fund	KACo Leasing Trust/Lincoln County Acquisition Account	KADD Financing Trust/ Lincoln County Lease Acquisition Account	Federal Grants Fund	Law Enforcement Facilities Fund
\$ 17,515 4,463	\$ 8,830 29,603	\$ 106,190	\$ 5,784	\$ 778	\$ 5,392 268
<u>\$ 21,978</u>	<u>\$ 38,433</u>	<u>\$ 106,190</u>	<u>\$ 5,784</u>	<u>\$ 778</u>	<u>\$ 5,660</u>

LINCOLN COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 2000
 (Continued)

	Special Revenue Fund Types	Debt Service Fund Type		
		Public Properties Corporation <u>Government Facilities Series 96 Fund</u>		
	Parks and Recreation Fund	Bond Account	Construction Account	Debt Service Account
Excess (Deficiency) of Cash Receipts				
Over (Under) Cash Disbursements	\$ (2,577)	\$ 20,675	\$ (5,495)	\$
Cash Balance - July 1, 1999	<u>2,577</u>	<u>4,131</u>	<u>5,511</u>	<u>145,230</u>
Cash Balance - June 30, 2000	<u>\$ 0</u>	<u>\$ 24,806</u>	<u>\$ 16</u>	<u>\$ 145,230</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2000

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Lincoln County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Solid Waste Commission Fund, the KACo Leasing Trust/Lincoln County Acquisition Account, the KADD Financing Trust/Lincoln County Lease Acquisition Account, and the Public Properties Corporation Government Facilities Series 96 Fund as part of the reporting entity.

Additional - Lincoln County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Lincoln County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Lincoln County Fiscal Court's Fund Types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Lincoln County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund (LGEA), Solid Waste Commission Fund, the KACo Leasing Trust/Lincoln County Acquisition Account and the KADD Financing Trust/Lincoln County Lease Acquisition Account.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Lincoln County Special Revenue Fund Type includes the following county funds: Federal Grants Fund, Law Enforcement Facilities Fund, and the Parks and Recreation Fund.

3) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and include funds for the Public Properties Corporation Government Facilities Series 96 Fund. Debt service is provided through annual transfers from the General Fund Type in the amount of the debt service requirements for the year.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

D. Legal Compliance - Budget

The Lincoln County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Note 1. D. Legal Compliance - Budget (Continued)

A formal budget is not adopted for the Public Properties Corporation Government Facilities Series 96 Fund (Debt Service Fund Type) because bond indentures and other relevant contractual provisions require specific payments to and from this fund annually and transfers are budgeted in the General Fund Type to comply with these requirements. The Department for Local Government does not require this fund to be budgeted.

Formal budgets are not required to be adopted for the Solid Waste Commission Fund, the KACo Leasing Trust/Lincoln County Acquisition Account, and the KADD Financing Trust/Lincoln County Lease Acquisition Account (General Fund Type).

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the McKinney Water District is considered a related organization of Lincoln County Fiscal Court.

G. Jointly Governed Organization

The Stanford/Lincoln County Industrial Authority, whose purpose is to acquire and develop industrial sites and plants for the community, is a joint board of the County and City. The County Judge/Executive with the approval of the fiscal court appoints three members and the Mayor with the approval of the city council appoints three members. The County has no equity interest. The County did not contribute any funds to the Stanford/Lincoln County Industrial Authority for the year ended June 30, 2000.

LINCOLN COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2000
 (Continued)

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.28 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The county entered into a written agreement with the depository institution and met requirements (a), (b), and (c) stated above. However, as of June 30, 2000, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$47,461 of public funds uninsured and unsecured.

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of June 30, 2000:

	<u>Bank Balance</u>
Insured or collateralized with securities held by the county's agent in the county's name	\$ 852,769
Uncollateralized and uninsured	<u>47,461</u>
Total	<u><u>\$ 900,230</u></u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 4. Stanford-Lincoln County Industrial Development Authority/R. M. Bastin Lumber, Inc Lease - Purchase Agreement

In October 1997, Lincoln County received \$503,545 of Community Development Block Grant money which was passed through to the Stanford-Lincoln County Industrial Authority for purchasing industrial equipment to be leased to R.M. Bastin Lumber, Inc. Pursuant to a lease-purchase agreement dated September 10, 1997, between Stanford-Lincoln County Industrial Authority (subrecipient of the County's federal funds), and R.M. Bastin Lumber, Inc., R.M. Bastin Lumber, Inc. is to repay the entire \$503,545 through monthly rental payments to the Stanford-Lincoln County Industrial Authority at a rate of 4 percent per annum over a period of ten years. As of November 30, 1998, R.M. Bastin Lumber, Inc. was in substantial compliance with the agreement. Outstanding principal balance as of November 30, 1998, was \$454,453. In January 1999, Stanford-Lincoln County Industrial Authority, with the concurrence of the Department for Local Government, deferred the principal and interest lease-purchase payments to be made to the Authority by R.M. Bastin Lumber, Inc. for a period of one year. On April 25, 2000, after the 12-month deferment and several months of negotiation between Stanford-Lincoln County Industrial Authority and R.M. Bastin Lumber, Inc., the Stanford-Lincoln County Industrial Authority released R.M. Bastin Lumber, Inc. from any further obligations under the lease-purchase agreement dated September 10, 1997 for a negotiated lump sum price of \$100,000, in addition to any and all lease payments previously remitted by R.M. Bastin Lumber, Inc. to the Stanford-Lincoln County Industrial Authority. The \$100,000 lump sum price was paid to the Stanford-Lincoln County Industrial Authority at the time of the execution of the release. The Department for Local Government was in agreement with the settlement and release between Stanford-Lincoln County Industrial Authority and R.M. Bastin Lumber, Inc.

By releasing R. M. Bastin from the obligations of the lease-purchase agreement, R.M. Bastin Lumber, Inc., could be sold to East Anderson Hardwood, LLC. Pursuant to an agreement dated April 25, 2000 between East Anderson Hardwood, LLC and Stanford-Lincoln County Industrial Authority, the company agreed to average at least 40 employees for a period of four years at the site of the existing lumber mill operations in Eubank, Ky. In the event East Anderson Hardwood, LLC, averages less than 40 employees throughout the four year term, the company agreed to pay the Stanford-Lincoln County Industrial Authority the sum of \$1,000 per year, per employee, for each employee under the average.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 5. Long-Term Debt

Bonds outstanding of the Public Properties Government Facilities Project Bond Series 1996 Fund are:

Fiscal Year Ending June 30	Principal Payment	Interest Payment	Total Payment	Less Debt Service Reserve & Cap. Interest	Less AOC Rental Amount*	Net Amount Due From County
2001	\$ 30,000	\$ 113,043	\$ 143,043	\$ (7,988)	\$ (97,142)	\$ 37,913
2002	30,000	111,543	141,543	(7,988)	(97,142)	36,413
2003	35,000	110,043	145,043	(7,988)	(97,142)	39,913
2004	35,000	108,205	143,205	(7,988)	(97,142)	38,075
2005- 2027	<u>1,700,000</u>	<u>1,583,800</u>	<u>3,283,800</u>	<u>(328,944)</u>	<u>(2,234,266)</u>	<u>720,590</u>
Totals	<u>\$ 1,830,000</u>	<u>\$ 2,026,634</u>	<u>\$ 3,856,634</u>	<u>\$ (360,896)</u>	<u>\$ (2,622,834)</u>	<u>\$ 872,904</u>

* In accordance with a sublease agreement between Administrative Office of the Courts (AOC) and the Lincoln County Fiscal Court dated May 1, 1996, AOC committed itself to participate in providing part of the costs of constructing a courthouse annex through use allowance payments.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 6. Capital Lease Agreements

- A. On August 21, 1992, the Lincoln County Fiscal Court entered into a 20-year leasing agreement with KACO Leasing Trust for the purchase of an E-911 building facility. Principal payments are due annually by January 20.

<u>Principal Payment Dates</u>		
<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Principal Payment</u>
01/20/2001	\$ 2,798	\$ 3,000
01/20/2002	2,611	3,000
01/20/2003	2,449	2,000
01/20/2004	2,298	3,000
01/20/2005	2,085	4,000
01/20/2006	1,834	4,000
01/20/2007	1,584	4,000
01/20/2008	1,308	5,000
01/20/2009	1,021	4,000
01/20/2010	771	4,000
01/20/2011	495	5,000
01/20/2012	182	5,000
Total Principal Outstanding June 30, 2000		<u>\$ 46,000</u>

- B. On August 17, 1993, the Lincoln County Fiscal Court entered into a ten-year leasing agreement with KACO Leasing Trust for the purchase of E-911 equipment. Principal payments are due monthly.

<u>Principal Payment Dates</u>		
<u>Fiscal Year Ending June 30</u>	<u>Scheduled Interest</u>	<u>Principal Amount</u>
2001	\$ 1,276	\$ 8,941
2002	766	8,647
2003	324	9,043
2004	10	1,547
Total Principal Outstanding June 30, 2000		<u>\$ 28,178</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 6. Capital Lease Agreements (Continued)

- C. On April 6, 1996, the Lincoln County Fiscal Court entered into a 23-year leasing agreement with KACO Leasing Trust for the City of Stanford's Pine Hall Water Project. Principal payments are due annually by January 20.

<u>Principal Payment Dates</u>		
<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Principal Amount</u>
1/20/2001	\$ 28,724	\$ 15,000
1/20/2002	27,769	16,000
1/20/2003	26,752	17,000
1/20/2004	25,674	18,000
1/20/2005	24,533	19,000
1/20/2006	23,330	20,000
1/20/2007	22,066	21,000
1/20/2008	20,739	22,000
1/20/2009	19,351	23,000
1/20/2010	17,900	24,000
1/20/2011	16,388	25,000
1/20/2012	14,814	26,000
1/20/2013	13,152	28,000
1/20/2014	11,391	29,000
1/20/2015	9,570	30,000
1/20/2016	7,660	32,000
1/20/2017	5,626	34,000
1/20/2018	3,494	35,000
1/20/2019	1,301	36,000
Total Principal Outstanding June 30, 2000		<u>\$ 470,000</u>

LINCOLN COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2000
 (Continued)

Note 6. Capital Lease Agreements (Continued)

- D. On September 22, 1999, the Lincoln County Fiscal Court entered into a 10-year leasing agreement with KACO Leasing Trust for roofing and road projects. On June 9, 2000, Lincoln County made a \$200,000 prepayment of the principal, thereby reducing the term of the lease to 5 years. Principal payments are due monthly.

Principal Payment Dates

Fiscal Year Ending June 30	Scheduled Interest	Principal Amount
2001	\$ 6,461	\$ 31,802
2002	3,864	30,677
2003	2,449	32,086
2004	970	33,561
2005	12	2,366
Total Principal Outstanding June 30, 2000		<u>\$ 130,492</u>
Total KACo Leasing Trust Agreements		<u>\$ 674,670</u>

- E. On June 24, 1999, the Lincoln County Fiscal Court entered into a 10-year leasing agreement with a KADD Financing Trust for construction costs to complete the second floor of the courthouse annex.

Fiscal Year Ending June 30	Principal Payment	Interest Payment	Trustee Fee	Total Payment	Less AOC Rental Amount*	Net Amount Due From County
2001	\$ 10,000	\$ 17,800	\$ 500	\$ 28,300	\$ (28,000)	\$ 300
2002	10,000	17,320	500	27,820	(28,000)	(180)
2003	10,000	16,840	500	27,340	(28,000)	(660)
2004	10,000	16,360	500	26,860	(28,000)	(1,140)
2005- 2020	<u>300,000</u>	<u>152,910</u>	<u>8,000</u>	<u>460,910</u>	<u>(420,000)</u>	<u>40,910</u>
Totals	<u>\$ 340,000</u>	<u>\$ 221,230</u>	<u>\$ 10,000</u>	<u>\$ 571,230</u>	<u>\$ (532,000)</u>	<u>\$ 39,230</u>

* In accordance with a sublease agreement between Administrative Office of the Courts (AOC) and the Lincoln County Fiscal Court dated April 15, 1998, AOC committed itself to participate in providing part of the costs of completing the second floor of the courthouse annex through use allowance payments.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 7. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

Items Purchased	Annual Payment	Term of Agreement	Ending Date	Principal Balance 6/30/00
Two 1999 Ford Crown Victorias	\$ 11,482	3 Years	03/05/2002	\$ 21,022

Note 8. E-911 Sublease Agreements

- A. On August 21, 1992, the Lincoln County Fiscal Court entered into a 20-year lease agreement with KACO Leasing Trust for the purchase of an E-911 building. On that same date, Lincoln County Fiscal Court and Lincoln County Emergency Communications Commission entered into a sublease which stated that for and in consideration of E-911 being allowed to utilize the properties as set up in the KACO Leasing Trust agreement with the county, E-911 will reimburse the county all rental payments as set out in the county's KACO Leasing Trust agreement. As of June 30, 1999, E-911 was behind \$25,331 in reimbursement payments to the county. In September 1999, the Lincoln County Emergency Communications Commission (E-911) reached an agreement with the county to make E-911 building lease payments to the county retroactive to July 1999. The Lincoln County Emergency Communications Commission would not reimburse the county for lease payments prior to that date. As of June 30, 2000, the Lincoln County Emergency Communications Commission was in substantial compliance with the revised agreement.
- B. On August 10, 1993, the Lincoln County Fiscal Court entered into a 10-year leasing agreement with KACO Leasing Trust for the purchase of E-911 equipment. On that same date, Lincoln County Fiscal Court and Lincoln County Emergency Communications Commission entered into a sublease which stated that for and in consideration of E-911 being allowed to utilize the properties as set up in the KACO Leasing Trust agreement with the county, E-911 will reimburse the county all rental payments as set out in the county's KACO Leasing Trust agreement. As of June 30, 1999, E-911 was behind \$41,865 in reimbursement payments to the county. . In September 1999, the Lincoln County Emergency Communications Commission (E-911) reached an agreement with the county to make E-911 equipment lease payments to the county retroactive to July 1999. The Lincoln County Emergency Communications Commission would not reimburse the county for lease payments prior to that date. As of June 30, 2000, the Lincoln County Emergency Communications Commission was in substantial compliance with the revised agreement.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2000
(Continued)

Note 9. City of Stanford Sublease Agreement

On April 4, 1996, the Lincoln County Fiscal Court entered into a 23-year leasing agreement with KACO Leasing Trust for the City of Stanford's Pine Hall Water Project. On that same date, Lincoln County Fiscal Court and the City of Stanford entered into a sublease which stated the City of Stanford will reimburse the county all rental payments as set out in the county's KACO Leasing Trust agreement. As of June 30, 2000, the City of Stanford was in substantial compliance with the agreement.

Note 10. Insurance

For the fiscal year ended June 30, 2000, Lincoln County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 11. Jail Canteen Fund

The canteen operations are authorized pursuant to KRS 441.135(1)(2), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 68.210 requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletins 93-002 and 97-001 provide additional accounting and expenditure guidance for acceptable jail canteen operations.

As of June 30, 1999, the Lincoln County Jail Canteen Fund had a balance of \$14,732. During fiscal year ended June 30, 2000, the Lincoln County Jail Canteen Fund received \$84,714 and expended \$81,157, leaving an ending balance of \$18,289. All profit expenditures were for the benefit and/or recreation of the inmates.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

LINCOLN COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2000

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 1,798,150	\$ 2,167,436	\$ 369,286
Road and Bridge Fund	836,300	1,062,149	225,849
Jail Fund	794,335	728,307	(66,028)
Local Government Economic Assistance Fund	100	17,515	17,415
<u>Special Revenue Fund Type</u>			
Federal Grants Fund	587,236	31,025	(556,211)
Law Enforcement Facilities Fund	<u>1,000</u>	<u>5,392</u>	<u>4,392</u>
Totals	<u>\$ 4,017,121</u>	<u>\$ 4,011,824</u>	<u>\$ (5,297)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 4,017,121
Add: Budgeted Prior Year Surplus	671,574
Add: Budgeted Borrowed Money	450,000
Less: Other Financing Uses	<u>(545,701)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 4,592,994</u>

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SCHEDULE OF OPERATING REVENUE

LINCOLN COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2000

	Totals (Memorandum Only)	General Fund Type	Special Revenue Fund Type	Debt Service Fund Type
REVENUE:				
Taxes	\$ 1,325,366	\$ 1,325,366	\$	\$
Excess Fees	151,948	151,948		
License and Permits	38,783	38,783		
Intergovernmental Revenues	2,114,114	1,965,497	23,475	125,142
Charges for Services	191,907	191,907		
Miscellaneous Revenues	274,709	261,770	12,903	36
Interest Earned	61,556	52,794	39	8,723
Total Operating Revenue	<u>\$ 4,158,383</u>	<u>\$ 3,988,065</u>	<u>\$ 36,417</u>	<u>\$ 133,901</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

LINCOLN COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2000

Expenditure Categories	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 661,790	\$ 540,813	\$ 120,977
Protection to Persons and Property	881,687	798,309	83,378
General Health and Sanitation	132,230	121,597	10,633
Social Services	402,750	117,105	285,645
Recreation and Culture	61,951	30,655	31,296
Roads	1,052,391	896,020	156,371
Debt Service	54,691	48,104	6,587
Capital Projects	95,400	92,982	2,418
Administration	659,023	599,060	59,963
Total Operating Budget - All General Fund Types	\$ 4,001,913	\$ 3,244,645	\$ 757,268
Other Financing Uses:			
KACO Leasing Trust Agreements- Principal-			
E-911 Building	3,000	3,000	
E-911 Equipment	7,908	6,916	992
Pine Hall Water Project	15,000	15,000	
Roofing and Road Projects	471,981	219,508	252,473
Transfers to Solid Waste Commission Fund	8,400	8,400	
Transfers to Public Properties Corporation Government Facilities Series 96 Fund	39,412	39,412	
TOTAL BUDGET - ALL GENERAL FUND TYPES	<u>\$ 4,547,614</u>	<u>\$ 3,536,881</u>	<u>\$ 1,010,733</u>

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 2000
 (Continued)

Expenditure Categories	SPECIAL REVENUE FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Health and Sanitation	\$ 462,236	\$	\$ 462,236
Recreation and Culture	2,577		2,577
Capital Projects	126,268	30,247	96,021
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	\$ 591,081	\$ 30,247	\$ 560,834

SCHEDULE OF SOLID WASTE
COMMISSION FUND EXPENDITURES

LINCOLN COUNTY
SCHEDULE OF SOLID WASTE COMMISSION FUND EXPENDITURES

Fiscal Year Ended June 30, 2000

Expenditure Items

Conferences	\$	575
Supplies		742
Dues		125
Part-time Help		956
Forklift Repairs		1,308
Telephone		283
Internet Services		200
Recycle Center Materials		1,171
Refunds		437
Postage		169
Truck Maintenance		545
Miscellaneous		<u>14</u>
Totals	\$	<u><u>6,525</u></u>

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SCHEDULE OF KACo LEASING TRUST /LINCOLN COUNTY
ACQUISITION ACCOUNT EXPENDITURES

LINCOLN COUNTY
SCHEDULE OF KACo LEASING TRUST/LINCOLN COUNTY
ACQUISITION ACCOUNT EXPENDITURES

Fiscal Year Ended June 30, 2000

<u>Expenditure Items</u>	
Equipment and Roof	\$ 177,789
Cash Management Fees	<u>172</u>
Totals	<u><u>\$ 177,961</u></u>

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SCHEDULE OF PUBLIC PROPERTIES CORPORATION GOVERNMENT FACILITIES
SERIES 96 FUND EXPENDITURES

LINCOLN COUNTY
SCHEDULE OF PUBLIC PROPERTIES CORPORATION
GOVERNMENT FACILITIES SERIES 96 FUND EXPENDITURES

Fiscal Year Ended June 30, 2000

<u>Expenditure Items</u>	<u>Bond Account</u>	<u>Construction Account</u>
Kentucky Area Development District		
Financing Trust-Interest	\$ 7,972	\$
Construction Costs		<u>5,618</u>
Totals	<u>\$ 7,972</u>	<u>\$ 5,618</u>

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SCHEDULE OF KADD FINANCING TRUST /LINCOLN COUNTY
LEASE ACQUISITION ACCOUNT EXPENDITURES

LINCOLN COUNTY
SCHEDULE OF KADD FINANCING TRUST/LINCOLN COUNTY
LEASE ACQUISITION ACCOUNT EXPENDITURES

Fiscal Year Ended June 30, 2000

Expenditure Items

Kentucky Area Development District	
Financing Trust-Interest	\$ 10,823
Issuance Costs	<u>3,445</u>
Totals	<u>\$ 14,268</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Ronald W. Gilbert, Lincoln County Judge/Executive
Members of the Lincoln County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Lincoln County, Kentucky, as of and for the year ended June 30, 2000, and have issued our report thereon dated June 19, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Lincoln County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying comment and recommendation.

- The County Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lincoln County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
June 19, 2001

COMMENT AND RECOMMENDATION

LINCOLN COUNTY
COMMENT AND RECOMMENDATION

Fiscal Year Ended June 30, 2000

REPORTABLE CONDITIONS

None.

NONCOMPLIANCE

The County Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits

On June 30, 2000, \$47,461 of the county's deposits of public funds in depository institutions was uninsured and unsecured. According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with Federal Deposit Insurance Corporation insurance, equals or exceeds the amount of public funds on deposit at all times. We recommend that the county require the depository institution to pledge or provide collateral in an amount sufficient to secure deposits of public funds at all times.

County Judge/Executive's Response:

I try to monitor pledges and will make sure I more closely do in the future.

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CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

LINCOLN COUNTY FISCAL COURT

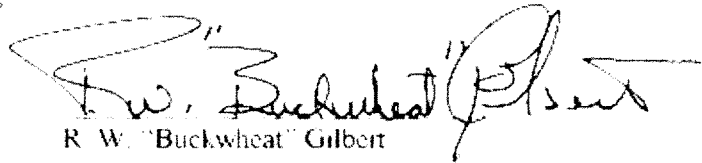
Fiscal Year Ended June 30, 2000

Appendix A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC PROGRAM
LINCOLN COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2000

The Lincoln County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

A handwritten signature in black ink, appearing to read "R. W. 'Buckwheat' Gilbert". The signature is stylized with a large, sweeping initial 'R' and a long horizontal stroke at the end.

R. W. "Buckwheat" Gilbert
County Judge/Executive

A handwritten signature in black ink, appearing to read "Teresa Padgett". The signature is written in a cursive style with a long, sweeping horizontal stroke at the end.

Teresa Padgett
County Treasurer